

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2015-368-C - ORDER NO. 2016-91  
FEBRUARY 5, 2016

IN RE: Application of Tele Circuit Network	) ORDER DESIGNATING
Corporation for Designation as an Eligible	) TELE CIRCUIT NETWORK
Telecommunications Carrier in the State of	) CORPORATION AS AN
South Carolina	) ELIGIBLE
	) TELECOMMUNICATIONS
	) CARRIER FOR THE
	) PROVISION OF LIFELINE
	) SERVICE

This matter comes before the Public Service Commission of South Carolina (the “Commission”) and concerns the above-captioned Application of Tele Circuit Network Corporation (“Tele Circuit”, “Applicant”, or the “Company”) for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of South Carolina (“Application”). Tele Circuit has requested wireline, Lifeline-only ETC designation. Tele Circuit has requested wireline ETC designation in all exchanges of BellSouth Telecommunications, LLC d/b/a AT&T (“AT&T”) solely to provide Lifeline service to qualified low-income consumers in South Carolina.

For the reasons explained herein, the Commission grants the Application and concludes that designation of Tele Circuit as an ETC on the terms provided in this Order would serve the public interest.

## **BACKGROUND**

Tele Circuit filed its Application on October 20, 2015. The Application is supported by the Verified Direct Testimony of Ashar Syed filed on January 26, 2016 (the “Direct Testimony”), and a Stipulation entered into between Tele Circuit and the South Carolina Office of Regulatory Staff (“ORS”) filed with the Commission on January 26, 2016 (the “Stipulation”).

As directed by the Commission, Notice of the Filing of the Application was published in *The Florence Morning News*, *The Post and Courier*, and *The State* newspaper, with proofs of publication being filed with the Commission on December 3, 2015, and December 7, 2015. No petitions to intervene were filed in this matter. ORS is a party pursuant to statute.

The Stipulation recommends that the Commission designate Tele Circuit as an ETC for the limited purpose of providing Lifeline service to qualified households in accordance with the terms contained therein. The terms of the Stipulation include, but are not limited to, Tele Circuit’s agreement to comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements, the terms and conditions of its wireline Compliance Plan pending with the Federal Communications Commission (“FCC”), and its agreement to submit any changes or modifications to the Compliance Plan to the Commission and the ORS within five (5) days of filing same at the FCC. A copy of the Stipulation is attached hereto as “Exhibit A”, and its terms are incorporated herein by reference.

On January 26, 2016, Tele Circuit filed a Motion for Expedited Review requesting that the Commission forego a hearing, admit the Verified Testimony into the record, and grant expedited review and approval of the Application. ORS did not object to this motion.

Having considered the record before it, the Commission finds that the record is sufficient to make a final determination in this matter, and further finds that the interests of judicial economy are served by granting expedited consideration and approval of the Application without a hearing.

### **ANALYSIS**

Section 214(e) (2)(e) of the Telecommunications Act of 1996 (the “Act”) authorizes state commissions to designate common carriers that meet the requirements as ETCs.<sup>1</sup> 10 S.C. Code Ann. Regs. 103-690 provides that the Commission will fulfill its responsibility to designate common carriers as ETCs, and establishes the requirements that an applicant must meet in order to be designated an ETC.<sup>2</sup>

As demonstrated in the Application, the Verified Testimony, and the Stipulation, Tele Circuit satisfies all the relevant requirements for designation as an ETC specified in Sections 254 and 214 of the Act and South Carolina Regulation 103-690. Tele Circuit is (i) a common carrier as defined by 47 U.S.C. Section 153(10), and will (ii) offer all the supported services,<sup>3</sup> either using its own facilities or a combination of its own facilities and resale of another carrier's services, and (iii) advertise the availability of its Universal Service offerings and charges through media of general distribution.

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<sup>1</sup> 47 U.S.C. Section 214(e)(2).

<sup>2</sup> See 10 S.C. Code Ann. Regs. 103-690C.

<sup>3</sup> 47 U.S.C. Section 254(c); 47 C.F.R. Section 54.101(a); and S.C. Code Ann. Regs. 103-690C(a).

Furthermore, Tele Circuit has (iv) certified that it will comply with the service requirements applicable to the support it receives; (v) demonstrated its ability and commitment to remain functional in emergency situations;<sup>4</sup> (vi) demonstrated its commitment to satisfy applicable consumer protection and service quality standards, including annual certification of its compliance and reporting of consumer complaints in accordance with S.C. Code Ann. Regs. 103-690C(a)(1)(C)(3) and 103-690.1B(b)(4); (vii) demonstrated that the Company is financially and technically capable of providing the Lifeline service; (viii) provided information describing its Lifeline service plans, including a demonstration that it will provide Lifeline local usage plans comparable to the incumbent local exchange carriers already operating in the area; and (ix) committed to comply with applicable federal and state reporting requirements including, but not limited to, annual reports required in S.C. Code Ann. Regs. 103-690.1.

Additionally, in accordance with 10 S.C. Code Ann. Regs. 103-690.1E, Tele Circuit will (x) offer Lifeline service in the designated service area to all qualifying low-income consumers; (xi) publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service in satisfaction of 10 S.C. Code Ann. Regs. 103-690.1E(a)(1) and 103-690.1E(b)(1); (xii) offer a toll blocking and/or limitation option for its qualifying Lifeline customers at no charge; (xiii) make Lifeline service available to qualifying low-income consumers without requiring a service deposit in order to initiate Lifeline service if the consumer elects toll limitation services; (xiv) verify annually that its Lifeline customers meet the qualifications and provide sixty days' notice

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<sup>4</sup> S.C. Code Ann. Regs. 103-690C(a)(2).

to customers which it believes no longer qualify for Lifeline service;<sup>5</sup> and (xv) forbear from charging Lifeline customers a monthly number portability charge.

Finally, Tele Circuit will take steps to limit fraud, waste and abuse in the federal universal fund programs. On February 6, 2012, the FCC adopted comprehensive reforms to the low-income program to revise the Lifeline service requirements.<sup>6</sup> In the Lifeline Reform Order, the FCC adopted specific reforms attempting to limit fraud, waste and abuse in the low-income program. Tele Circuit commits to compliance with the rules set out in the Lifeline Reform Order as they are applicable.

S.C. Code Ann. Regs. 103-690C(b) provides that, in determining whether an ETC designation is in the public interest, the Commission must consider, *inter alia*, the benefits of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering. Considering these factors and others, the Commission determines that it is in the public interest that the Commission grant Tele Circuit wireline ETC designation for the limited purpose of providing Lifeline service. In addition, and consistent with federal findings, the Commission agrees that a "cream skimming" analysis is not required as a public interest test in the case of carriers seeking ETC designation for the limited purpose of offering Lifeline services.

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<sup>5</sup> See S.C. Code Ann. Regs. 103-690.1E(a)(4-5).

<sup>6</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012. ("Lifeline Reform Order").

**IT IS THEREFORE ORDERED THAT:**

I. The Verified Testimony and the Stipulation are accepted into the record without objection.

II. The Applicant's Motion for Expedited Review and request for waiver of hearing is granted.

III. Any changes or modifications to the Company's wireline FCC Compliance Plan will be filed with the Commission, with a copy to ORS, within five (5) days of filing at the FCC.

IV. Subject to the terms and conditions herein, Tele Circuit is hereby designated as a wireline ETC for the limited purpose of providing Lifeline service as requested in the Application and on the terms provided in the Stipulation. A copy of this Order shall be promptly provided by the Commission to the FCC and the Universal Service Administrative Company ("USAC").

V. This Order shall remain in full force and effect until further order of the Commission.

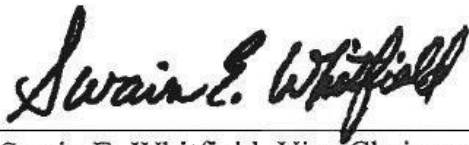
BY ORDER OF THE COMMISSION:



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Nikiya Hall, Chairman

ATTEST:



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Swain E. Whitfield, Vice Chairman

(SEAL)

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2015- 368- C  
January 26, 2015

INRE:   Application of Tele Circuit Network                    )  
          Corporation for Designation as an Eligible        )  
          Telecommunications Carrier in the State of        )  
          South Carolina    )   STIPULATION

This Stipulation is made by and among the South Carolina Office of Regulatory Staff ("ORS") and Tele Circuit Network Corporation ("Tele Circuit" or the "Company") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, on October 20, 2015, Tele Circuit filed its Application requesting designation as an Eligible Telecommunications Carrier ("ETC") in the State of South Carolina;

WHEREAS, ORS has reviewed the Application and testimony of Ashar Syed, which was filed on January 26, 2016;

WHEREAS, Tele Circuit requests wireline ETC designation in all exchanges of BellSouth Telecommunications, LLC d/b/a AT&T ("AT&T") solely to provide Lifeline service to qualified low-income consumers;

WHEREAS, as a result of its investigation, ORS has determined that subject to the provisions set forth below, Tele Circuit's request for designation as an ETC should be approved;

WHEREAS, Tele Circuit filed a compliance plan with the Federal Communications Commission ("FCC"), which is currently pending, and Tele Circuit agrees to comply with the



requirements and conditions set out in the pending FCC compliance plan ("Compliance Plan");  
and

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. Tele Circuit is a wireline service provider, proposing to offer wireline Lifeline service as an ETC and other voice services in South Carolina.

2. Tele Circuit has requested wireline, Lifeline-only ETC designation in South Carolina.

3. Tele Circuit provides its prepaid wireline Lifeline services by reselling the services of AT&T, which provides wholesale rates to resellers. AT&T provides Tele Circuit with the wireline infrastructure and wireline transmission facilities needed for Tele Circuit to offer services

4. Tele Circuit has limited its requested Universal Service Fund ("USF") support to the Federal USF low income support program. Tele Circuit certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47 C.F.R. 54.403.

5. The Company's Compliance Plan, which is pending with the FCC, is attached to and incorporated in this Stipulation. Tele Circuit agrees to comply with all terms and conditions of the attached Compliance Plan. Any changes or modifications to the Company's pending Compliance Plan must be filed with the Public Service Commission of South Carolina ("Commission"), with a copy to ORS, within five (5) days of filing at the FCC.

6. Tele Circuit agrees to advertise the availability of Lifeline using media of general distribution.

7. Tele Circuit is to offer Lifeline credits consistent with the rates, terms, and conditions contained in its rate schedules and website and will publish the availability and the pricing of these same offerings on its website or public forum accessible by Lifeline eligible low income consumers.

8. Until modified by the Commission, Tele Circuit agrees to utilize the means test established by the FCC and set forth in 47 C.F.R. 54.409.

9. Tele Circuit agrees to notify the Commission and the Office of Regulatory Staff ten (10) days in advance of any changes to its Lifeline rates in South Carolina, or the pricing, or changes in pricing of any additional minute plans offered to South Carolina Lifeline customers.

10. Tele Circuit agrees to provide Lifeline customers the federal lifeline credit of \$9.25 per month, consistent with 47 C.F.R. 54.403. In addition, Tele Circuit agrees to provide all South Carolina Lifeline customers with a company funded \$3.50 credit. In the event the Commission, the FCC, or a court of competent jurisdiction issues a decision that a credit of \$3.50 is not required to be provided by ETCs to South Carolina Lifeline customers, the Parties agree that this Agreement will be modified to reflect that ruling.

11. Tele Circuit agrees to allow qualifying low-income consumers to apply all applicable Lifeline discounts to any residential service plan that includes voice telephony service, including bundled packages of voice and data services; and plans that include optional calling features such as, but not limited to, caller identification, call waiting, voicemail, and three-way calling.

12. Tele Circuit agrees that it will abide by all advertising, reporting and verification requirements established by the FCC and the Commission.

13. Tele Circuit agrees to provide ORS any FCC Citations issued against the Company's Lifeline South Carolina customers, within five (5) days of notice to the Company by the FCC of the customer citation.

14. Tele Circuit agrees that it will not seek reimbursement from the Federal USF for resold services where the Company receives the Lifeline credits through an underlying carrier.

15. Tele Circuit agrees to file all reports requested by ORS or the Commission, including but not limited to: the "Telecommunications Company Annual Report," the "Authorized Utility Representative Form," the "Gross Receipts Form," and the "USF Worksheet." All of which may be found on the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov) in the telecommunications forms and resources section.

16. Tele Circuit agrees to file with the ORS a certified true copy of its Form 481 and Form 555 filed annually with the Universal Service Administrative Company ("USAC"), including revisions thereto, no later than five (5) calendar days after the Form or revision is filed with USAC.

17. Tele Circuit agrees to file with the ORS on a quarterly basis certified true copies of its Form 497, filed monthly with USAC, including revisions thereto, no later than five (5) calendar days after the Form or revision is filed with USAC after the close of a quarter.

18. If the designations sought herein are granted, Tele Circuit agrees to pay the annual gross receipts assessment in accordance with S.C. Code § 58-3-100 and S.C. Code § 58-4-60.

19. Tele Circuit distinguishes in the pricing of toll and non-toll calls; therefore, Tele Circuit agrees to offer a toll blocking and/or limitation option for Tele Circuit Lifeline service.

20. Tele Circuit agrees that the company will not seek reimbursement for toll limitation services. The company agrees to provide toll back at no charge to customers seeking the service.

21. Tele Circuit agrees to implement or to participate in a program for initial certification and annual verification that insures that an eligible Lifeline customer only receives one Lifeline credit per residential address and must conform with its Compliance Plan on file with the FCC and 47 C.F.R. 54-410.

22. Tele Circuit agrees to follow the FCC rules related to de-enrolling Lifeline Customers receiving more than one Lifeline subsidy per household.

23. Tele Circuit agrees that ORS may examine the Company's records and documentation to ensure that the universal service support the Company receives is being used for the purpose for which it was intended. Tele Circuit is required to provide such records and documentation to ORS upon request. Tele Circuit agrees that if it fails to fulfill the requirements of the Act, the Commission's rules, or the terms of this agreement after it begins receiving universal service support, the Commission or ORS may exercise its authority to revoke such petitioner's ETC designation.

24. Tele Circuit agrees that its ETC designation is non-transferable to new owners and is cancelled upon discontinuance of service.

25. Tele Circuit shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements. More specifically, Tele Circuit agrees to abide by the Commission regulations regarding designation of an ETC found in 10 S.C. Code Ann. Regs. 103-690 (2012) as well as requirements set out by the FCC for ETC

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designation and for participation in the Lifeline program (e.g. FCC Regulation Part 54, Subpart E -Universal Service Support for Low-Income Consumers).

26. Tele Circuit agrees to comply with the FCC's marketing and disclosure requirements as set forth in Paragraph 275-277 of the *Lifeline Reform Order* (FCC 12-11) and associated rules.

27. Subject to the provisions set forth herein, ORS does not oppose the Application of Tele Circuit for designation as an eligible telecommunications carrier.

28. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (Supp. 2014). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

...'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above.

29. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties

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agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

30. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.

31. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.

32. This Stipulation shall be interpreted according to South Carolina law.

33. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

(PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

Representing the South Carolina Office of Regulatory Staff

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